

**Public**

## Environmental and Social Data Sheet

### Overview

Project Name: MOZAMBIQUE CLIMATE RESILIENT FL  
Project Number: 2019 0331  
Country: Mozambique  
Project Description: Framework loan to finance a climate-change resilience initiative, which will support the reconstruction and increased resilience of the water supply and wastewater infrastructure destroyed and damaged by the passage of cyclones Idai and Kenneth in Mozambique.

EIA required: yes

Project included in Carbon Footprint Exercise<sup>1</sup>: no

### Environmental and Social Assessment

#### Environmental Assessment

The proposed project is a water supply and wastewater sector Framework Loan, financing a climate-change resilience initiative that will support the reconstruction of infrastructure damaged by two cyclones Idai and Kenneth that hit the country in March and April 2019 respectively. The main objectives of the Project are to restore water supply, wastewater and drainage infrastructure, reduce vulnerability and increase resilience to disaster risks of the affected areas. The Framework Loan is embedded in the Disaster Recovery Framework (DRF), prepared under the leadership of Mozambique's Cabinet for Post-Idai and Post-Kenneth Reconstruction. The present DRF sets the vision, strategic objectives, and principles for Mozambique's recovery over the next five years in response to both Cyclones. The sub-projects will include design criteria that will improve resilience to Climate Change of the rebuilt infrastructures (Build Back Better).

The Promoter of the Project is the Cabinet for Post-Idai and Post-Kenneth Reconstruction which will be responsible for managing and monitoring the operation. There are two envisaged public executing agencies which will implement the sub-projects: FIPAG (Fundo de Investimento e Património do Abastecimento de Água), which is the asset holding company of the urban water supply infrastructure, and AIAS (Administração de Infra-Estruturas de Água e Saneamento) which is also an asset holding company for the urban sanitation (including drainage) infrastructure and the water supply infrastructure outside the remit of FIPAG.

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<sup>1</sup> Only projects that meet the scope of the Carbon Footprint Exercise, as defined in the EIB Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: 20,000 tonnes CO<sub>2</sub>e/year absolute (gross) or 20,000 tonnes CO<sub>2</sub>e/year relative (net) – both increases and savings.

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The Promoter and the two executing agencies will be required to act according to the provisions of the relevant Mozambican legislation:

- The 1995 National Environment Policy in Mozambique, Resolution No. 5/95 of 3 August, establishes the basis for all environmental legislation in the country;
- The Environment Law (Law No. 20/97, of 1 October) establishes the environmental fundamentals for the political and institutional framework for environmental management in Mozambique;
- The Ministry of Land, Environment and Rural Development (MITADER) is the main government agency with responsibility for coordinating government actions related to the environment.

They will have to comply with the EIB statement on environmental and social principles and the Environmental and Social Handbook as well.

The procedures to ensure the proper assessment of the environmental impacts of environmentally sensitive projects are regulated by Decree 54/2015 of 31 December, which is applicable to all public or private activities that may have a direct or indirect impact on the environment. The Decree establishes the categorization of activities for the purpose of defining the types of environmental impact assessment and the respective exemptions, defining the powers of the Environmental Impact Assessment Authority, regulating the process and the pre-assessment to which all activities are subject to. The Decree also regulates the Environmental Pre-feasibility Study, the Environmental Impact Assessment and the Simplified Environmental Study; the objectives of the Technical Commissions in charge of reviewing the environmental studies; the obligations and rights of the Expert Reviewers; the public participation process and the deadlines for all the processes. It also regulates the environmental licensing, the accredited consultants, the inspection fees and the sanctioning regime.

Ex-ante approval of the allocation of sub-projects will be required to ensure compliance with the Bank's environmental and social standards including those on the protection of nature conservation sites, where applicable in addition to following the Mozambican regulations. This will be assessed at allocation stage for each individual scheme.

The promoter of the project is organised with environmental and social experts and will monitor and supervise the compliance of sub-projects towards environmental and social regulations during implementation. Each executing agency will set up a project implementation unit for each specific sub-project and will deploy environmental and social experts. In addition, the Bank is mobilizing technical assistance that will support the promoter and the executing agencies during the implementation of the project with a capacity building emphasis to ensure continuity of the environmental and social due diligence and monitoring, once the technical assistance has finalized its input.

The overall environmental impact of the operation is expected to be positive as it will improve the sanitation and drainage of the cities hit by the two cyclones. The principles of Building Back Better ensures that all the built infrastructure shall have higher climate resilience than initially.

### **Social Assessment**

The Project is expected to have a positive social impact on the population severely affected by the cyclones in terms of water and sanitation infrastructures and services restoration and by reducing vulnerability and improving resilience to future natural disaster events.

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The overall social impacts are expected to be positive although there could be some negative impacts linked to the extension of the infrastructure in some areas of the cities (temporary physical and economic displacement of population).

As per the nature of this operation (framework loan), there are not yet clear indications on the sub-projects (allocations) that will be financed by the Bank and therefore no specific social assessment has been conducted. The sub-projects will avoid or minimize permanent resettlement to the extent possible. However, in order to mitigate inevitable social impacts, the Bank will require, if relevant, as a first works disbursement condition towards the relevant sub-project, the preparation and approval of a Resettlement Action Plan to its satisfaction.

### **Public Consultation and Stakeholder Engagement**

The Disaster Recovery Framework (DRF) outlines the approach to the reconstruction activities, the role and participation of all stakeholders. The importance of Civil Society Organizations' participation in the recovery and reconstruction of Mozambique has been echoed by government representatives and partners during the DRF consultative process. The drafting of the DRF incorporated this principle. This objective will be achieved through the following mechanisms that will be implemented by the reconstruction cabinet:

- Civil society will be represented in the national Consultative Forum as well as in the Provincial and District Forums to ensure their participation in the consultative and coordination processes of recovery at both levels.
- The participation of CSO, including NGOs, communities and local interest groups, in recovery planning and implementation will be through the Local Consultative Councils -LCCs (Conselho Consultivo Local) which represent the principal space for community participation and consultation in planning and implementation in Mozambique, in line with the Law of Local State Organs (Law 8/2003, Decree 11/2005, and Diploma Ministerial 2008).
- Consultation Forum with civil society: In order to further strengthen the engagement of civil society in the country's recovery process, the Cabinet for Reconstruction will be organizing in 2020 a consultative forum with civil society organizations including NGOs in collaboration with partners.

### **Other Social Aspects**

Concerning the contract works, the Promoter will include in the tender documents in use and in the subsequent agreements with selected contractors, requirements relative to the applicable national labour code, ILO standards and EU requirements. These should cover working conditions, occupational and community health and safety, and provision of a grievance mechanism for workers (including migrant workers).

## **Conclusions and Recommendations**

Overall, the net environmental and social impact is expected to be positive. The Project will contribute to restore water and sanitation infrastructure and services, reduce vulnerability and improve resilience against natural disasters in the areas hit by the two cyclones.

The institutional capacity of the Promoter - with the support of a TA - to manage the technical, social, and environmental issues is expected to be adequate. Therefore, subject to conditions mentioned below, the Project is acceptable to the Bank in environmental and social terms.

Condition before first allocation (to the satisfaction of the Bank):

An Environmental and Social Management Framework (ESMF) including Resettlement Policy Framework, Stakeholder Engagement Framework, Grievance Mechanism, labour regulation

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and occupational health and safety to be prepared and endorsed by the competent authorities.

Undertakings:

- Implement and operate the Project in compliance with EIB Environmental and Social Standards, and ILO core labour standards, in particular with the inclusion of provision (for contractors) for the respect of:
  - principles of equal treatment and non-discrimination in employment and at the workplace, and
  - equal access for men and women to employment opportunities
- Store and share with EIB the relevant documents updated (including environmental studies related to the EIA, as well as Nature/Biodiversity Assessments, Resettlement Action Plans (RAP), Stakeholder Engagement Plans (SEP)). In case the EIB requires such documentation, the Promoter shall provide all documents requested promptly as soon as the request from the Bank has been received.
- As part of each allocation request, the promoter will ensure that the following requirements are fulfilled:
  - Required Environmental Approvals by the competent authorities.
  - For each sub-project and when applicable, an EIA and/or a Resettlement Action Plan and Stakeholder Engagement Plans in line with ESMF and with EIB environmental and social standards must be submitted to the satisfaction of the Bank.
  - The Promoter should provide the Bank with a copy (preferably in electronic format) of the Environmental Impact Statement, including a Non-Technical Summary (NTS), or the Environmental and Social Management Plan (ESMP), or other environmental and social documents in line with ESMF requirements, or provide a website link to the location where the above mentioned information is published for at least 3 years, and will confirm that the Project incorporates all mitigating measures recommended as a result of the EIA process in order to ensure compliance with the EIB's Public Disclosure Policy.
  - For sub-projects with a potential to affect a site of nature conservation importance that is protected under national or international legislation or agreements, the Promoter shall obtain a confirmation from the competent nature conservation authority, or an equivalent assessment satisfactory to the Bank, that the sub-project does not have a significant negative impact on the site of nature conservation importance that is protected under national or international legislation or agreements.